

# Tesco PLC (Tesco)

**TICKER**  
TSCO

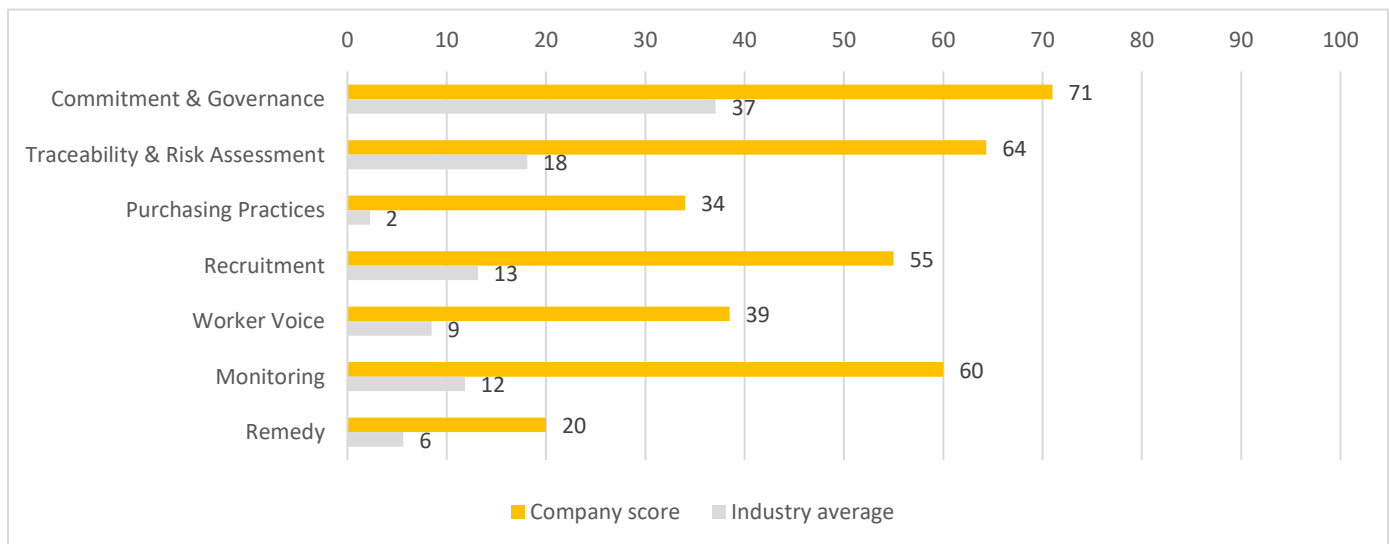
**MARKET CAPITALIZATION**  
US\$30.5 billion

**HEADQUARTERS**  
United Kingdom

**DISCLOSURES**
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: Not applicable

Australia Modern Slavery Act: Not applicable

**OVERALL RANKING**
**2 out of 60**
[2020 Rank:](#) 1 out of 43

**OVERALL SCORE**
**52 out of 100**
**THEME-LEVEL SCORES**

**KEY DATA POINTS**
**FIRST-TIER SUPPLIER LIST**

Yes

**RISK ASSESSMENT**

Yes

**ENGAGED WITH KNOWTHECHAIN<sup>1</sup>**

Yes

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**REMEDY FOR SUPPLY CHAIN WORKERS**

Yes / Yes (Limited)

**HIGH-RISK COMMODITIES<sup>2</sup>**
■ Palm oil, soy, tomatoes, and others

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## SUMMARY

Tesco PLC (Tesco), the UK's biggest supermarket,<sup>3</sup> ranks 2 out of 60 companies. Since 2020, the company improved on the themes of Traceability & Risk Assessment and Purchasing Practices, disclosing a full first-tier supplier list for own-brand food products, additional sourcing countries for high-risk raw materials, and a commitment to pay the living wage gap to banana producers. However, the company did not improve across other themes. As such, the company's rank has dropped by one place.<sup>4</sup> Notably, the company is the highest scoring company on the themes of Traceability & Risk Assessment and Monitoring.

KnowTheChain identified one allegation of forced labour in the company's supply chains. The company describes steps taken by the supplier in question to share learnings from the case. However, the company neither discloses engagement with affected stakeholders or their representatives, nor remedy outcomes for workers. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Remedy.

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## LEADING PRACTICES

**Supply Chain Transparency:** Tesco discloses a list of its first-tier "food and grocery non-food" sites. This includes the full list of supplier names, addresses, countries of origin, and workforce numbers. It separately discloses a list of its global tea suppliers, and palm oil and soy importers. In addition, at raw material level it discloses fisheries covering all wild-caught and farmed seafood sourced for Tesco in 2021, and majority sourcing countries for coffee and cocoa.

**Recruitment:** The company's responsible recruitment requirements for food suppliers in Thailand and Malaysia state that all suppliers "must obtain a clear understanding of the processes and costs associated with migrant worker recruitment" and demonstrate this in a recruitment map, timeline, or flow chart including all fees and costs incurred for migrant workers. It also requires suppliers to develop timebound action plans for moving to a responsible recruitment model which is in line with the employer pays principle. Tesco discloses that Issara Institute "commenced verification of 94% sites in 2022 against this policy" including through interviews with workers and document review.

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## OPPORTUNITIES FOR IMPROVEMENT

**Purchasing Practices:** To address forced labour risks in its supply chains, the company is encouraged to [ring-fence](#) labour from production costs and consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

**Worker Voice:** While the company discloses it has entered into an MoU with the IUF focused on women in its supply chains, to guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into an enforceable supply chain labour rights agreements with trade unions or worker organisations. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements.

**Remedy:** While the company discloses the recruitment-related fee remediation to suppliers' workers in Malaysia and Thailand, to demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose additional examples of remedy including with respect to specific allegations in its supply chains. The company discloses some information on its process for responding to grievances: however, the company is encouraged to disclose further details such as approval procedures, timeframes, and, crucially, engagement with affected stakeholders.

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<sup>1</sup> Research conducted through January 2023 or through April 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

<sup>2</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 [food & beverage benchmark findings report](#).

<sup>3</sup> European Supermarket Magazine (February 2023), "[Top 10 Supermarket Retail Chains in the UK](#)." Accessed 20 June 2023.

<sup>4</sup> KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information.